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If you have sold or transferred all your shares in NWS Holdings Limited, you should at once hand this circular together with the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

This circular is not and does not constitute an offer of, nor is it intended to invite offers for, shares in or other securities of the Company.

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新創建集團有限公司*
NWS Holdings Limited

(incorporated in Bermuda with limited liability)

(stock code: 0659)

**DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO THE ACQUISITION OF SHARES IN
TAIFOOK SECURITIES GROUP LIMITED**

AND

NOTICE OF SPECIAL GENERAL MEETING

**Independent financial adviser to
the Independent Board Committee and the Independent Shareholders**



CIMB-GK Securities (HK) Limited

A letter from the Board is set out on pages 5 to 19 of this circular. A letter from the Independent Board Committee is set out on pages 20 and 21 of this circular. A letter from CIMB-GK containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 22 to 29 of this circular.

A notice convening the SGM to be held at Meeting Room 301A (New Wing), Hong Kong Convention & Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Tuesday, 5 June 2007 at 11:45 a.m. is set out on pages 40 and 41 of this circular. If you are not able to attend the meeting in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit it with the branch share registrars in Hong Kong of NWS Holdings Limited, Standard Registrars Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof if you so wish.

18 May 2007

* For identification purposes only

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	5
Letter from the Independent Board Committee	20
Letter from CIMB-GK	22
Appendix — General information	30
Notice of SGM	40

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Acquisition”	the acquisition of the Sale Shares by the Purchaser subject to the terms and upon the conditions of the Share Purchase Agreement
“acting in concert”	has the meaning ascribed thereto in the Takeovers Code
“Aggregate Purchase Price”	the aggregate purchase price for the Sale Shares, being HK\$600,177,834.09
“Announcement”	the announcement dated 26 April 2007 jointly issued by the Company, NWD and Taifook in relation to, among other matters, the Share Purchase Agreement and the Offer
“associates”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business
“CIMB-GK”	CIMB-GK Securities (HK) Limited, the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders
“Company”	NWS Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Acquisition in accordance with the terms of the Share Purchase Agreement
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries as at the Latest Practicable Date
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Independent Board Committee”	the independent board committee of the Company, comprising Mr. Kwong Che Keung, Gordon, Mr. Cheng Wai Chee, Christopher and The Honourable Shek Lai Him, Abraham, established to advise the Independent Shareholders in respect of the Acquisition
“Independent Shareholders”	shareholders of the Company other than NWD, the Vendors (and, where applicable, their ultimate beneficial owners), their respective associates and parties acting in concert with any of them
“Last Trading Day”	20 April 2007, being the last complete trading day prior to the suspension of the trading in Taifook Shares on 23 April 2007
“Latest Practicable Date”	14 May 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	5:00 p.m. on 31 August 2007 or such other date as the Vendors and the Purchaser shall agree in writing
“NWD”	New World Development Company Limited, a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange and the holding company of the Company
“NWD EGM”	the extraordinary general meeting of NWD to be convened to approve, among other matters (if any), the transactions contemplated under the Share Purchase Agreement
“NWD Group”	NWD and its subsidiaries as at the Latest Practicable Date (including members of the Group)
“Offer”	collectively, the Share Offer and the Option Offer
“Option Offer”	the mandatory unconditional cash offer for all outstanding Taifook Options not already owned or agreed to be acquired by the Purchaser or parties acting in concert with it at HK\$1.49 per Taifook Option (in respect of the Taifook Options having an exercise price of HK\$0.94 per Taifook Share) and HK\$1.23 per Taifook Option (in respect of the Taifook Options having an exercise price of HK\$1.20 per Taifook Share) to be made by Standard Chartered on behalf of the Purchaser in accordance with the Takeovers Code

DEFINITIONS

“PRC”	the People’s Republic of China, which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Purchase Price”	the price of HK\$2.43 per Sale Share payable by the Purchaser to the Vendors upon Completion
“Purchaser”	NWS Financial Management Services Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“Sale Shares”	246,986,763 Taifook Shares, representing approximately 41.0% of the issued share capital of Taifook as at the date of the Share Purchase Agreement agreed to be acquired by the Purchaser pursuant to the Share Purchase Agreement
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened and held at Meeting Room 301A (New Wing), Hong Kong Convention & Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Tuesday, 5 June 2007 at 11:45 a.m. to approve, among other matters (if any), the transactions contemplated under the Share Purchase Agreement
“Share Offer”	the mandatory unconditional cash offer for all the issued Taifook Shares not already owned or agreed to be acquired by the Purchaser or parties acting in concert with it at HK\$2.43 per Taifook Share to be made by Standard Chartered on behalf of the Purchaser in accordance with the Takeovers Code
“Share Purchase Agreement”	the conditional share purchase agreement dated 26 April 2007 and entered into between the Vendors and the Purchaser in relation to the sale by the Vendors and the purchase by the Purchaser of the Sale Shares
“Shareholder(s)”	holder(s) of share(s) of HK\$1.00 each in the issued share capital of the Company

DEFINITIONS

“Standard Chartered”	Standard Chartered Bank (Hong Kong) Limited, the financial adviser to the Company (being the holding company of the Purchaser). Standard Chartered is registered as a registered institution with the SFC to conduct type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO and is a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it in the Listing Rules
“Taifook”	Taifook Securities Group Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
“Taifook Group”	Taifook and its subsidiaries from time to time
“Taifook Option(s)”	the option(s) issued by Taifook entitling the Taifook Optionholder(s) to subscribe for Taifook Shares at a subscription price of HK\$0.94 or HK\$1.20 per Taifook Share
“Taifook Optionholder(s)”	holder(s) of Taifook Option(s)
“Taifook Share(s)”	share(s) of HK\$0.10 each in the share capital of Taifook
“Taifook Shareholder(s)”	holder(s) of Taifook Share(s)
“Takeovers Code”	The Code on Takeovers and Mergers of Hong Kong
“Vendors”	collectively, Chow Tai Fook Nominee Limited, Chow Tai Fook Enterprises Limited, Lo Lin Shing, Simon, Wellington Equities Inc., Grand Partners Group Limited and William Junior Guilherme Doo
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.



新創建集團有限公司*
NWS Holdings Limited

(incorporated in Bermuda with limited liability)

(stock code: 0659)

Executive directors:

Dr. Cheng Kar Shun, Henry (*Chairman*)
Mr. Doo Wai Hoi, William (*Deputy Chairman*)
Mr. Chan Kam Ling (*Chief Executive Officer*)
Mr. Tsang Yam Pui
Mr. Wong Kwok Kin, Andrew
Mr. Lam Wai Hon, Patrick
Mr. Cheung Chin Cheung
Mr. William Junior Guilherme Doo

Non-executive directors:

Mr. Wilfried Ernst Kaffenberger
*(alternate director to Mr. Wilfried Ernst
Kaffenberger: Mr. Yeung Kun Wah, David)*
Mr. To Hin Tsun, Gerald
Mr. Dominic Lai

Independent non-executive directors:

Mr. Kwong Che Keung, Gordon
Mr. Cheng Wai Chee, Christopher
The Honourable Shek Lai Him, Abraham

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

***Principal place of business
in Hong Kong:***

28th Floor, New World Tower
18 Queen's Road Central
Hong Kong

18 May 2007

*To the Shareholders and, for information purposes only,
the holders of the outstanding share options of the Company*

Dear Sir or Madam

**DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO THE ACQUISITION OF SHARES IN
TAIFOOK SECURITIES GROUP LIMITED**

INTRODUCTION

On 26 April 2007, the Company, NWD and Taifook jointly announced that the Vendors and the Purchaser, being an indirect wholly-owned subsidiary of the Company, entered into the Share Purchase Agreement on 26 April 2007.

* *For identification purposes only*

LETTER FROM THE BOARD

Pursuant to the Share Purchase Agreement, the Vendors have agreed to sell, and the Purchaser has agreed to purchase, the 246,986,763 Sale Shares, which represent approximately 41.0% of the issued share capital of Taifook as at the date of the Share Purchase Agreement, for a Purchase Price of HK\$2.43 per Sale Share (the Aggregate Purchase Price being HK\$600,177,834.09) subject to the terms and upon the conditions of the Share Purchase Agreement.

The Acquisition constitutes a discloseable transaction for the Company. In view of the relationships between the Vendors and the Purchaser as more particularly set out in the paragraph headed “Relationships between the parties” below, the Acquisition also constitutes a connected transaction for the Company pursuant to Rule 14A.13(1)(a) of the Listing Rules and is subject to the approval of the Independent Shareholders at the SGM.

The purpose of this circular is to give you further information regarding, among others, the Share Purchase Agreement, the advice of the Independent Board Committee to the Independent Shareholders and the advice from CIMB-GK to the Independent Board Committee and the Independent Shareholders and to give you notice of the SGM.

THE SHARE PURCHASE AGREEMENT

Date: 26 April 2007

- Parties:** (1) The Vendors, each selling as beneficial owner of the Sale Shares held by him/it:
- (a) Chow Tai Fook Nominee Limited (“**CTF Nominee**”), a company incorporated in Hong Kong with limited liability and wholly-owned by Dato’ Dr. Cheng Yu Tung;
 - (b) Chow Tai Fook Enterprises Limited (“**CTF Enterprises**”), a company incorporated in Hong Kong with limited liability and a substantial shareholder of NWD. CTF Enterprises is ultimately owned as to 51% by Cheng Yu Tung Family (Holdings) Limited which is controlled by the family members of Dato’ Dr. Cheng Yu Tung;
 - (c) Lo Lin Shing, Simon (“**Mr. Lo**”), one of the deputy chairmen and an executive director of Taifook;
 - (d) Wellington Equities Inc. (“**Wellington**”), a company incorporated in the Republic of Panama with limited liability and wholly-owned by Mr. Lo;
 - (e) Grand Partners Group Limited (“**GPGL**”), a company incorporated in the British Virgin Islands and wholly-owned by Doo Wai Hoi, William (“**Mr. Doo**”), who is the deputy chairman and an executive director of the Company and one of the deputy chairmen and an executive director of Taifook, and the father of Mr. Doo Jr (as defined below); and
 - (f) William Junior Guilherme Doo (“**Mr. Doo Jr**”), an executive director of the Company and the son of Mr. Doo.

LETTER FROM THE BOARD

- (2) NWS Financial Management Services Limited, a company incorporated in the British Virgin Islands with limited liability, a wholly-owned subsidiary of the Company and also a non-wholly-owned subsidiary of NWD, as Purchaser.

Interests to be acquired:

246,986,763 Sale Shares, representing approximately 41.0% of the issued share capital of Taifook as at the date of the Share Purchase Agreement, which are held by the Vendors as follows:

Vendors	Number of Sale Shares and approximate percentage of issued share capital of Taifook as at the date of the Share Purchase Agreement	Total purchase price payable to the Vendor
CTF Nominee	107,140,540 (17.8%)	HK\$260,351,512.20
CTF Enterprises	30,977,916 (5.1%)	HK\$75,276,335.88
Mr. Lo	9,500,000 (1.6%)	HK\$23,085,000.00
Wellington	70,616,222 (11.7%)	HK\$171,597,419.46
GPGL	4,346,000 (0.7%)	HK\$10,560,780.00
Mr. Doo Jr	<u>24,406,085 (4.1%)</u>	<u>HK\$59,306,786.55</u>
Total:	<u>246,986,763 (41.0%)</u>	<u>HK\$600,177,834.09</u>

Upon Completion, none of the Vendors will hold any Taifook Shares.

The original purchase cost per Sale Share to each of the Vendors are set out below:

Vendors	Average original purchase cost per Sale Share
CTF Nominee	<i>(Note)</i>
CTF Enterprises	<i>(Note)</i>
Mr. Lo	HK\$0.95
Wellington	<i>(Note)</i>
GPGL	HK\$1.06
Mr. Doo Jr	HK\$1.83

Note: Such Vendors were original shareholders of Taifook at the time of its listing in 1996 and the Sale Shares held by such Vendors were not acquired after the listing where the purchase price per Sale Share may be ascertained.

Status of the Sale Shares to be acquired

The Sale Shares are to be purchased together with all rights attaching thereto as at Completion, excluding the right to the final dividend of HK\$0.07 per Sale Share for the year ended 31 December 2006 payable to holders of Taifook Shares whose names appear on the register of members of Taifook on

LETTER FROM THE BOARD

5 June 2007, which will be retained by the holders of the Sale Shares. Such final dividend, if approved by the shareholders of Taifook at its forthcoming annual general meeting, is expected to be paid to such eligible shareholders on or around 12 June 2007.

Consideration

Purchase Price of HK\$2.43 per Sale Share, the Aggregate Purchase Price being HK\$600,177,834.09, payable by the Purchaser to the Vendors at Completion.

The Purchase Price was determined following arm's length negotiation between the Vendors and the Purchaser with reference to the prevailing market price of the Taifook Shares.

The Purchase Price represents:

- (a) a premium of approximately 13.6% over the closing price of HK\$2.14 per Taifook Share as quoted on the Main Board of the Stock Exchange on the Last Trading Day;
- (b) a premium of approximately 20.3% over the average closing price of HK\$2.02 per Taifook Share as quoted on the Main Board of the Stock Exchange for the last 10 consecutive complete trading days up to and including the Last Trading Day;
- (c) a premium of approximately 24.0% over the audited consolidated net asset value per Taifook Share of approximately HK\$1.96 based on Taifook's audited consolidated financial statements for the year ended 31 December 2006 and 603,139,699 Taifook Shares in issue as at the date of the Announcement;
- (d) a discount of approximately 10.3% to the closing price of HK\$2.71 per Taifook Share as quoted on the Main Board of the Stock Exchange on the Latest Practicable Date; and
- (e) a premium of approximately 24.0% over the audited consolidated net asset value per Taifook Share of approximately HK\$1.96 based on Taifook's audited consolidated financial statements for the year ended 31 December 2006 and 605,439,699 Taifook Shares in issue as at the Latest Practicable Date.

The Aggregate Purchase Price will be satisfied by the Purchaser by bank borrowings of the Group.

Conditions of the Share Purchase Agreement

Completion of the Share Purchase Agreement is conditional upon the following conditions being fulfilled on or before the Long Stop Date:

- (i) the Acquisition and other transactions as contemplated under the Share Purchase Agreement having been approved by the Shareholders (who are not required to abstain their voting rights in such respect under the Listing Rules or the Takeovers Code or otherwise) at the SGM in accordance with the Listing Rules;
- (ii) the Acquisition and other transactions as contemplated under the Share Purchase Agreement having been approved by the shareholders of NWD (who are not required to abstain their voting rights in such respect under the Listing Rules or the Takeovers Code or otherwise) at the NWD EGM in accordance with the Listing Rules;
- (iii) in respect of any permits or licences granted by the SFC or other relevant governmental or regulatory authorities to any members of Taifook Group in connection with the business operations of such member, the approval from the SFC or such or other relevant governmental or regulatory authorities required for the change of shareholding of Taifook arising from the Acquisition as contemplated under the Share Purchase Agreement having been obtained, and if any such approval is subject to conditions, the terms of such conditions are reasonably acceptable to the Purchaser; and
- (iv) all authorisations, consents, waivers, approvals or licences (which are required on the part of any of the Vendors, the Purchaser or any member of Taifook Group) from any other person required pursuant to any applicable law, rules or regulations, or pursuant to any contract binding on any of the Vendors, the Purchaser or any member of Taifook Group or to which any member of Taifook Group or its assets are subject or bound, for or in connection with the Acquisition as contemplated under the Share Purchase Agreement having been obtained and remaining in full force and effect at Completion, and if any such authorisations, consents, waivers, approvals or licences is subject to conditions, the terms of such conditions are reasonably acceptable to the Purchaser.

The Purchaser may at its absolute discretion at any time waive in writing, as far as it relates to the Vendors or any member of Taifook Group, any of items (iii) and (iv).

If the conditions contained in items (i) to (iv) above shall not have been fulfilled or waived (as the case may be) on or before the Long Stop Date, the obligations of the parties to the Share Purchase Agreement to proceed with and complete the Acquisition (including, in particular, the payment obligations of the Purchaser) shall cease and terminate and no party to the Share Purchase Agreement shall have any claim against or liability to the other parties with respect to any matter referred to in the Share Purchase Agreement save for any antecedent breaches of the Share Purchase Agreement.

Completion

Completion will take place on the third Business Day immediately following the day on which the conditions referred to above are fulfilled in full or such other date as the parties to the Share Purchase Agreement may agree in writing. Based on the estimation of the parties to the Share Purchase Agreement, the Completion will take place after 5 June 2007, which is the record date for the final dividend of Taifook for the year ended 31 December 2006.

Upon Completion, Taifook and other members of the Taifook Group will become subsidiaries of both NWD and the Company.

Listing Rules implications

The Acquisition constitutes a discloseable transaction for the Company pursuant to Rule 14.06 of the Listing Rules. By virtue of the relationships between the parties as more particularly described under the paragraphs headed “Relationships between the parties” below, the Acquisition also constitutes a connected transaction for the Company.

The SGM will be convened for the purposes of considering, and if thought fit, approving, among other matters (if any), the Share Purchase Agreement and the transactions contemplated thereunder. NWD, the Vendors (and, where applicable, their ultimate beneficial owners) and their respective associates and parties acting in concert with any of them are required to abstain from voting at the SGM in accordance with Rule 14A.18 of the Listing Rules.

The Independent Board Committee has been established to advise the Independent Shareholders on, among other things, the fairness and reasonableness of the Share Purchase Agreement and the Acquisition pursuant to the terms thereunder. CIMB-GK has been appointed by the Company as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the fairness and reasonableness of the Acquisition under the terms of the Share Purchase Agreement.

REASONS FOR THE ACQUISITION

The Directors consider that Taifook is a well-established brokerage firm in Hong Kong with an enviable reputation for providing fully integrated financial services. It has been very active in the equity underwriting business and has enjoyed strong financial performance during the past years. With a strong financial position, the Group is currently looking for potential investments that can enhance its long-term profitability with a balanced diversification strategy. In view of Taifook’s satisfactory growth history, the acquisition of interests in Taifook aligns with the Group’s investment strategy. It is expected that the Group’s sustainable growth in the financial services business will be enhanced through the Acquisition.

The Directors (including the independent non-executive directors of the Company) believe that the terms of the Share Purchase Agreement and the Acquisition pursuant to the terms thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FINANCIAL INFORMATION OF TAIFOOK GROUP

As at 31 December 2006, the value of the audited consolidated total assets of the Taifook Group amounted to approximately HK\$4,405.1 million and approximately HK\$2,600.5 million (after excluding the balance of cash held on behalf of customers of Taifook Group). On the basis of 605,439,699 Taifook Shares in issue as at the Latest Practicable Date, the value of the audited consolidated total assets of the Taifook Group as at 31 December 2006 per Taifook Share is approximately HK\$7.3 and approximately HK\$4.3 (based on the adjusted audited consolidated total assets of HK\$2,600.5 million as mentioned above).

The audited consolidated profits of the Taifook Group (before taxation and extraordinary items) for the two years ended 31 December 2005 and 31 December 2006 amounted to approximately HK\$69.0 million and approximately HK\$197.9 million respectively and the audited consolidated net profits of Taifook Group (after taxation and extraordinary items) for the two years ended 31 December 2005 and 31 December 2006 amounted to approximately HK\$63.0 million and approximately HK\$175.0 million respectively. The audited basic earnings per Taifook Share for the two years ended 31 December 2005 and 31 December 2006 were approximately HK\$0.1080 and HK\$0.2971 respectively. The audited fully diluted earnings per Taifook Share for the year ended 31 December 2006 was approximately HK\$0.2953 and no audited fully diluted earnings per Taifook Share for the year ended 31 December 2005 was disclosed as no diluting events existed during that year.

FINANCIAL IMPACT OF THE ACQUISITION ON THE GROUP

Upon Completion, members of the Taifook Group will become non-wholly-owned subsidiaries of the Company and the financial results, assets and liabilities of the Taifook Group will be consolidated into the financial statements of the Group. Based on the audited consolidated financial statements of the Taifook Group for the year ended 31 December 2006, the Acquisition is expected to have a positive impact on the profit attributable to shareholders of the Group. The Aggregate Purchase Price will be satisfied by bank borrowings of the Group and the Acquisition will not have any material impact on the Group's net asset.

LETTER FROM THE BOARD

SHAREHOLDING STRUCTURE OF TAIFOOK AS AT THE LATEST PRACTICABLE DATE AND IMMEDIATELY AFTER COMPLETION

The following table sets out the shareholding structure of Taifook as at the Latest Practicable Date and immediately after Completion (assuming that there are no changes other than those contemplated in the Share Purchase Agreement and that none of the Taifook Options outstanding as at the Latest Practicable Date will be exercised on or before Completion):

	As at the Latest Practicable Date		Immediately after Completion	
	No. of Taifook Shares	Approximate %	No. of Taifook Shares	Approximate %
<i>The Purchaser (Note 2)</i>	129,628,340	21.4	376,615,103	62.2
<i>The Vendors</i>				
CTF Nominee	107,140,540	17.7	—	—
CTF Enterprises	30,977,916	5.1	—	—
Mr. Lo	9,500,000	1.6	—	—
Wellington	70,616,222	11.7	—	—
GPGI (<i>Note 3</i>)	4,346,000	0.7	—	—
Mr. Doo Jr	24,406,085	4.0	—	—
	<u>246,986,763</u>	<u>40.8</u>	<u>—</u>	<u>—</u>
<i>The directors of Taifook (Note 4)</i>				
Mr. Wong Shiu Hoi, Peter	12,000,000	2.0	12,000,000	2.0
Mr. Lee Yiu Wing, William	700,000	0.1	700,000	0.1
Mr. Chan Chi On, Derek	562,000	0.1	562,000	0.1
	<u>13,262,000</u>	<u>2.2</u>	<u>13,262,000</u>	<u>2.2</u>
<i>Public</i>	<u>215,562,596</u>	<u>35.6</u>	<u>215,562,596</u>	<u>35.6</u>
Total	<u>605,439,699</u>	<u>100.0</u>	<u>605,439,699</u>	<u>100.0</u>

Notes:

- The above table only reflects the relevant party's interests in the issued share capital of Taifook. Derivative interests in Taifook Shares are disregarded for the purposes of compiling the information above.
- The Purchaser is an indirect wholly-owned subsidiary of the Company and an indirect subsidiary of NWD. Both NWD and the Company are holding Taifook Shares through the Purchaser.
- GPGI is wholly-owned by Mr. Doo, who is one of the deputy chairmen and an executive director of Taifook.
- The interests of two of the directors of Taifook, namely Mr. Lo and Mr. Doo, are excluded.

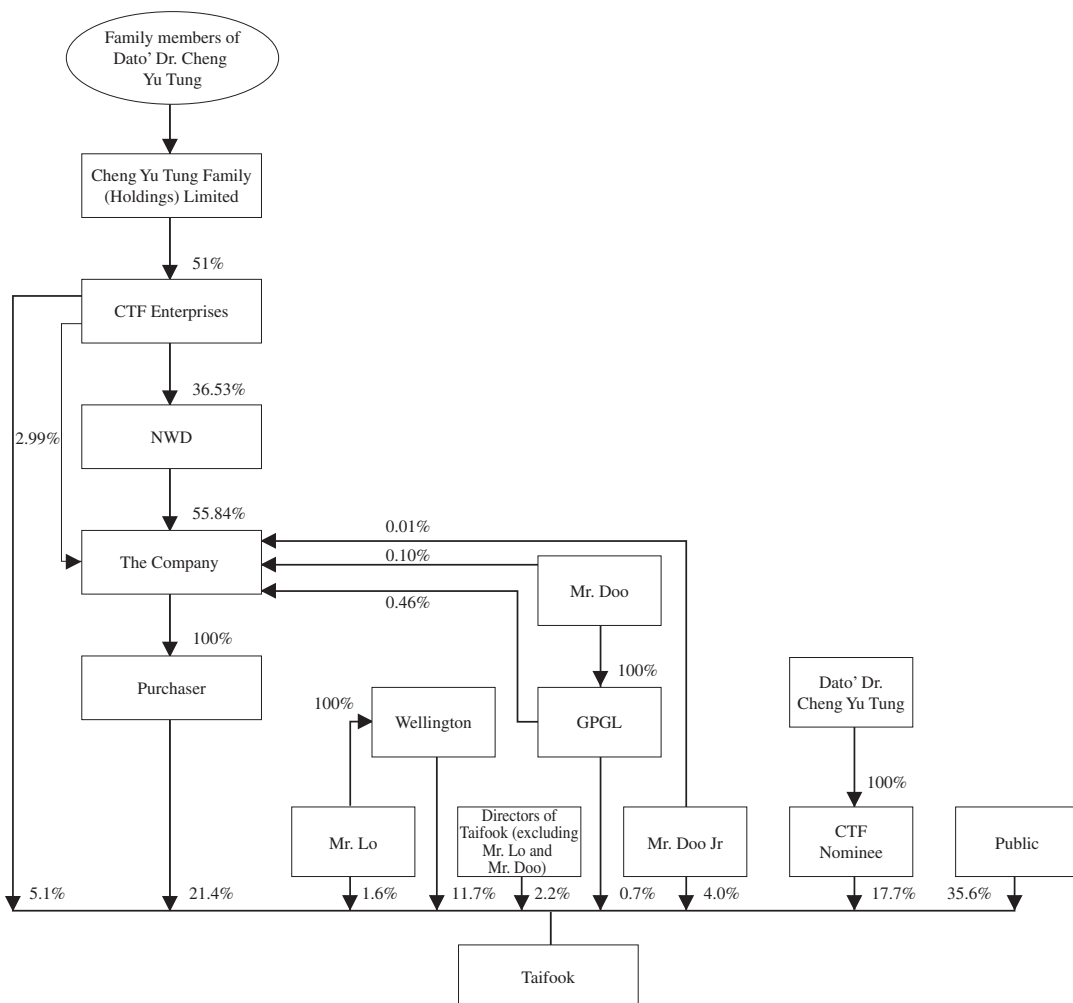
LETTER FROM THE BOARD

As confirmed by Mr. Wong Shiu Hoi, Peter, Mr. Lee Yiu Wing, William and Mr. Chan Chi On, Derek, each being an executive director of Taifook, none of them has any shareholding in NWD or the Company nor is any of them accustomed to act in accordance with the instructions of the Purchaser and/or Dr. Cheng Kar Shun, Henry. None of such directors of Taifook is a party acting in concert with the Purchaser. Save for the co-directorship with Dr. Cheng Kar Shun, Henry in Taifook and being an employee of Taifook, none of Mr. Wong Shiu Hoi, Peter, Mr. Lee Yiu Wing, William and Mr. Chan Chi On, Derek has any other relationship (financial or otherwise) with NWD, the Company, Dr. Cheng Kar Shun, Henry and parties acting in concert with any of them.

INFORMATION ON TAIFOOK GROUP

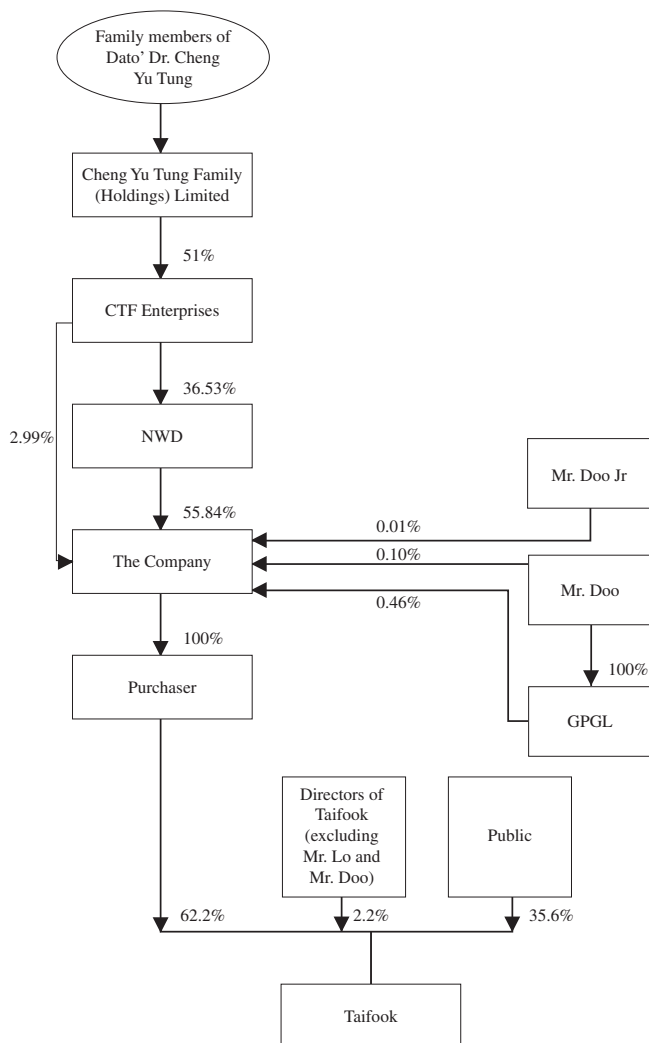
Taifook is a company incorporated in Bermuda with limited liability whose shares have been listed and traded on the Main Board of the Stock Exchange since 1996. The principal activities of Taifook Group comprise securities and futures contracts broking and trading, the provision of margin and other financing, the provision of corporate advisory, placing and underwriting services, bullion contracts dealing and trading, leveraged foreign exchange trading, the provision of nominee and custodian services, fund management and the provision of financial planning services.

Set out below is the simplified shareholding chart of Taifook as at the Latest Practicable Date:



LETTER FROM THE BOARD

Set out below is the simplified shareholding chart of Taifook immediately after Completion:



RELATIONSHIPS BETWEEN THE PARTIES

The NWD Group is principally engaged in investments in the areas of property, infrastructure, services, department store operation, hotel operation and telecommunications and technology. NWD is the holding company of the Company, holding approximately 55.84% of the issued share capital of the Company as at the Latest Practicable Date.

The principal activities of the Group include (i) the investment in and/or operation of facilities, contracting and transport; and (ii) the development, investment, operation and/or management of power plants, water treatment and waste management plants, roads as well as container terminals.

The Purchaser is an indirect wholly-owned subsidiary of the Company, whose principal activity is investment holding.

LETTER FROM THE BOARD

CTF Nominee is a company incorporated in Hong Kong, whose principal activity is nominee business. CTF Nominee is wholly-owned by Dato' Dr. Cheng Yu Tung, who, together with his family members, is in control of NWD and the Company.

CTF Enterprises is a substantial shareholder of NWD holding, as at the Latest Practicable Date, approximately 36.53% of the issued share capital of NWD and ultimately owned as to 51% by Cheng Yu Tung Family (Holdings) Limited which is controlled by the family members of Dato' Dr. Cheng Yu Tung. The principal activity of CTF Enterprises is investment holding.

GPGL is a company incorporated in the British Virgin Islands and wholly-owned by Mr. Doo, who is the deputy chairman and an executive director of the Company and one of the deputy chairmen and an executive director of Taifook, and the father of Mr. Doo Jr. The principal activity of GPGL is investment holding. Mr. Doo Jr is an executive director of the Company.

Mr. Lo is one of the deputy chairmen and an executive director of Taifook and the sole beneficial owner of Wellington. The principal activity of Wellington is investment holding.

The interests in shares of NWD and the Company of the Vendors (and, where applicable, their ultimate beneficial owners) and their respective associates as at the Latest Practicable Date were set out below:

Vendors	No. of shares in NWD held	Approximate percentage in the issued share capital of NWD	No. of shares in the Company held	Approximate percentage in the issued share capital of the Company
CTF Nominee	—	—	—	—
CTF Enterprises (<i>Note 1</i>)	1,348,865,983	36.53	59,831,893	2.99
Mr. Lo	—	—	—	—
Wellington	—	—	—	—
GPGL (<i>Note 2</i>)	—	—	9,130,000	0.46
Mr. Doo Jr (<i>Note 3</i>)	—	—	165,566	0.01

Notes:

1. Apart from the 59,831,893 shares in the Company directly held by it, CTF Enterprises is deemed to have an interest in 1,116,904,912 shares in the Company (representing approximately 55.84% of the issued share capital of the Company as at the Latest Practicable Date) through NWD.
2. Mr. Doo, the sole shareholder of GPGL, is personally interested in 2,006,566 shares in the Company, representing approximately 0.10% of the issued share capital of the Company as at the Latest Practicable Date.
3. Mr. Doo Jr is holding 165,566 shares in the Company, representing approximately 0.01% of the issued share capital of the Company as at the Latest Practicable Date, through a company wholly-owned by him.

Save as disclosed above, none of the Vendors (and, where applicable, their ultimate beneficial owners) and their respective associates held any interests in shares of NWD and the Company as at the Latest Practicable Date.

POSSIBLE MANDATORY UNCONDITIONAL CASH OFFERS

As at the Latest Practicable Date, the Purchaser owned 129,628,340 Taifook Shares, representing approximately 21.4% of the issued share capital of Taifook, and the Vendors, in aggregate, owned 246,986,763 Taifook Shares, representing approximately 40.8% of the issued share capital of Taifook.

Upon Completion, the Purchaser and parties acting in concert with it will own in aggregate 376,615,103 Taifook Shares, representing approximately 62.2% of the issued share capital of Taifook as at the Latest Practicable Date, and will be required under Rule 26.1 and Rule 13 of the Takeovers Code to make mandatory unconditional cash offers to acquire all the issued Taifook Shares and to cancel all outstanding Taifook Options not already owned or agreed to be acquired by the Purchaser and parties acting in concert with it.

As at the Latest Practicable Date, Taifook had 605,439,699 Taifook Shares in issue and outstanding Taifook Options entitling the Taifook Optionholders to subscribe for up to an aggregate of 12,710,000 Taifook Shares as to 10,250,000 Taifook Options which may be exercised at an exercise price of HK\$0.94 and as to 2,460,000 Taifook Options which may be exercised at an exercise price of HK\$1.20 per Taifook Share.

Accordingly, apart from the 246,986,763 Taifook Shares which will be acquired by the Purchaser and the Taifook Shares which are currently owned by the Purchaser,

- (i) 228,824,596 Taifook Shares (assuming the outstanding Taifook Options granted are not exercised prior to the close of the Offer) will be subject to the Share Offer, and 12,710,000 outstanding Taifook Options (if not exercised in the meantime) will be subject to the Option Offer; or
- (ii) 241,534,596 Taifook Shares (assuming 12,710,000 outstanding Taifook Options have been fully exercised prior to the close of the Offer) will be subject to the Share Offer.

Save for the outstanding Taifook Options disclosed above, there were no outstanding warrants, options or securities convertible into Taifook Shares as at the Latest Practicable Date.

Principal terms of the Offer

Upon Completion, Standard Chartered, on behalf of the Purchaser, will make mandatory unconditional cash offers to acquire all the issued Taifook Shares and to cancel all the outstanding Taifook Options (other than those already owned or agreed to be acquired by the Purchaser or by parties acting in concert with it) on the following basis:

The Share Offer

For each Taifook Share HK\$2.43 in cash

The Purchaser is also required under the Takeovers Code to make a comparable offer for all the outstanding Taifook Options as part of the Offer. The Purchaser will offer to pay the Taifook Optionholders in cash on the basis set out below in respect of every Taifook Option in consideration of the cancellation by the Taifook Optionholders of all their rights in respect of such Taifook Options.

LETTER FROM THE BOARD

The Option Offer

For each Taifook Option having an exercise price
of HK\$0.94 per Taifook Share HK\$1.49 in cash

For each Taifook Option having an exercise price
of HK\$1.20 per Taifook Share HK\$1.23 in cash

Offer

The Offer will only be made after Completion, which is conditional upon the fulfillment of the conditions more particularly described in the paragraph headed “Conditions of the Share Purchase Agreement” above.

Total consideration

Assuming that there is no change in the issued share capital of Taifook prior to the making of the Offer, at the price of HK\$2.43 per Taifook Share, the entire issued share capital of Taifook is valued at approximately HK\$1,471.2 million under the Share Offer, and all of the Taifook Shares subject to the Share Offer are valued at approximately HK\$556.0 million. Assuming that all the 12,710,000 outstanding Taifook Options are tendered at a price of HK\$1.49 for each Taifook Option having an exercise price of HK\$0.94 per Taifook Share and HK\$1.23 for each Taifook Option having an exercise price of HK\$1.20 per Taifook Share under the Option Offer, the total consideration payable by the Purchaser under the Option Offer is HK\$18,298,300.

Assuming that the outstanding Taifook Options comprising 12,710,000 Taifook Shares (not being Taifook Options owned or agreed to be acquired by the Purchaser or parties acting in concert with it) are fully exercised prior to the making of the Offer, there will be 618,149,699 Taifook Shares in issue and the entire issued share capital of Taifook would be valued at approximately HK\$1,502.1 million under the Share Offer, and all of the Taifook Shares subject to the Share Offer would be valued at approximately HK\$586.9 million.

Intention of the Purchaser regarding Taifook

Although NWD and the Company propose to expand their operations to include the businesses of Taifook Group by means of the Acquisition, the Company intends to retain the majority of the senior management of Taifook Group after the Acquisition. It is believed that the experience and expertise of the existing senior management of Taifook Group are the main drive to the continued success of the Taifook Group. By retaining the majority of the senior management of Taifook Group, it is also believed that the flourishing overall operation and results of the Taifook Group can be maintained which in turn will be in the interests of the Shareholders as a whole. The Purchaser intends to continue the existing businesses of the Taifook Group and has no present plan of injecting any additional assets into or redeployment of the assets of the Taifook Group other than in its ordinary course of business.

Board composition of Taifook

The Company will review the composition of the board of Taifook following the despatch of this circular and such composition may or may not be changed before or after the Completion and/or upon the close of the Offer. Any such change will only be effected in accordance with the Takeovers Code and the Listing Rules. In the event of any change in the composition of the board of Taifook, Taifook will comply with the publication requirement under the Listing Rules to inform the public accordingly.

The listing status of Taifook

The Purchaser intends that Taifook will remain listed on the Main Board of the Stock Exchange after the close of the Offer and does not intend to exercise any rights to compulsorily acquire all the Taifook Shares. The directors of the Purchaser will jointly and severally undertake to the Stock Exchange to take appropriate steps following the close of the Offer to ensure that sufficient public float exists in the Taifook Shares.

SGM

The Company will convene the SGM to be held at Meeting Room 301A (New Wing), Hong Kong Convention & Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Tuesday, 5 June 2007 at 11:45 a.m. for the purpose of considering, and if thought fit, approving, among other matters (if any), the Share Purchase Agreement and the transactions contemplated thereunder. A notice of the SGM is set out on pages 40 and 41 of this circular. NWD, the Vendors (and, where applicable, their ultimate beneficial owners) and their respective associates and parties acting in concert with any of them are required to abstain from voting at the SGM in accordance with Rule 14A.18 of the Listing Rules.

A form of proxy for use at the SGM is also enclosed. If you are not able to attend the meeting in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and deposit it with the Company's branch share registrars in Hong Kong, Standard Registrars Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof if you so wish.

POLL PROCEDURE

Pursuant to bye-law 66 of the bye-laws of the Company, a resolution put to the vote of a meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of such meeting; or
- (b) by any of the Directors who individually or collectively (with the chairman of the relevant general meeting of the Company) hold proxies in respect of shares holding five (5) per cent. or more of the total voting rights at a particular meeting of members, and if on a show of hands such meeting votes in the opposite manner to that instructed in those proxies; or

LETTER FROM THE BOARD

- (c) by at least three members present in person (or in the case of a member being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (d) by a member or members present in person (or in the case of a member being a corporation by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all members having the right to vote at the meeting; or
- (e) by a member or members present in person (or in the case of a member being a corporation by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

Pursuant to Rule 13.39(4) of the Listing Rules, the vote of the Independent Shareholders taken at the SGM will be taken by poll, the results of which will be announced on the next Business Day after the SGM.

RECOMMENDATION

The Independent Board Committee comprising all the independent non-executive directors of the Company, namely Mr. Kwong Che Keung, Gordon, Mr. Cheng Wai Chee, Christopher and The Honourable Shek Lai Him, Abraham has been established to advise the Independent Shareholders on, among other things, the fairness and reasonableness of the Share Purchase Agreement and the Acquisition pursuant to the terms thereunder. Your attention is drawn to the advice of the Independent Board Committee set out in its letter set out on pages 20 and 21 of this circular. CIMB-GK has been appointed by the Company as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the fairness and reasonableness of the Acquisition under the terms of the Share Purchase Agreement. Your attention is also drawn to the letter of advice from CIMB-GK to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Share Purchase Agreement set out from pages 22 to 29 of this circular.

The Independent Board Committee, having taken into account the advice of CIMB-GK, considers that the Share Purchase Agreement and the Acquisition pursuant to the terms thereunder are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolution approving the Share Purchase Agreement and the transactions contemplated thereunder at the SGM.

ADDITIONAL INFORMATION

Your attention is drawn to the information set out in the appendix to this circular.

Yours faithfully,
On behalf of the Board
Dr. Cheng Kar Shun, Henry
Chairman

The following is a full text of the letter from the Independent Board Committee prepared for the purpose of inclusion in this circular:



新創建集團有限公司*
NWS Holdings Limited
(incorporated in Bermuda with limited liability)
(stock code: 0659)

18 May 2007

To the Independent Shareholders

Dear Sir or Madam

**DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO THE ACQUISITION OF SHARES IN
TAIFOOK SECURITIES GROUP LIMITED**

We refer to the circular issued by the Company to its shareholders and dated 18 May 2007 (“**Circular**”) of which this letter forms part. Terms defined in the Circular have the same meanings when used in this letter unless the context otherwise requires.

Under the Listing Rules, the Acquisition will constitute a discloseable and connected transaction for the Company and is thus subject to the approval of the Independent Shareholders at the SGM.

We have been appointed by the Board to consider the Share Purchase Agreement and the Acquisition pursuant to the terms thereunder and to advise the Independent Shareholders in connection therewith and as to whether, in our opinion, such terms are fair and reasonable so far as the Independent Shareholders are concerned. CIMB-GK has been appointed as the independent financial adviser to advise us in this respect.

* For identification purposes only

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

We wish to draw your attention to the letter from the Board and the letter from CIMB-GK as set out in the Circular. Having considered the principal factors and reasons considered by, and the advice of, CIMB-GK as set out in its letter of advice, we consider that the Share Purchase Agreement and the Acquisition pursuant to the terms thereunder are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of the Company and its shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution approving the Share Purchase Agreement and the transactions contemplated thereunder at the SGM.

Yours faithfully,

On behalf of the Independent Board Committee

Kwong Che Keung, Gordon
Cheng Wai Chee, Christopher
Shek Lai Him, Abraham

The following is the full text of a letter of advice prepared by CIMB-GK to the Independent Board Committee and the Independent Shareholders for the purpose of inclusion in this circular:



CIMB-GK Securities (HK) Limited

25/F., Central Tower
28 Queen's Road Central
Hong Kong

18 May 2007

To the Independent Board Committee and the Independent Shareholders

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTION

INTRODUCTION

We refer to our engagement as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Acquisition. Details of the terms of the Share Purchase Agreement are set out in the letter from the Board as contained in the circular of the Company to the Shareholders dated 18 May 2007 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

The Purchaser, a wholly-owned subsidiary of the Company, has conditionally entered into the Share Purchase Agreement on 26 April 2007 with the Vendors to acquire from them an approximately 41.0% interest in the issued share capital of Taifook as at the date of Share Purchase Agreement for a cash Aggregate Purchase Price of approximately HK\$600.18 million. The Share Purchase Agreement constitutes a discloseable transaction for the Company. Given that CTF Enterprises is a substantial shareholder of NWD, which in turn is a substantial shareholder of the Company, and that Mr. Doo (the sole shareholder of GPGL) and Mr. Doo Jr are executive directors of the Company, the Acquisition also constitutes a connected transaction for the Company under the Listing Rules and is subject to the reporting and announcement requirements and the approval of the Independent Shareholders by way of poll at the SGM. NWD, the Vendors (and, where applicable, their ultimate beneficial owners) and their respective associates and parties acting in concert with any of them will abstain from voting at the SGM. The Independent Board Committee has been formed to advise the Independent Shareholders in respect of the Acquisition.

BASIS OF ADVICE

In formulating our recommendation, we consider that we have reviewed sufficient and relevant information and documents and have taken reasonable steps as required under Rule 13.80, including the notes thereto of the Listing Rules to reach an informed view, to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our recommendation. We have relied on the information and facts contained or referred to in the Circular as well as the representations made or provided by the Directors and senior management of the Company. The Directors have declared in a responsibility statement set out in the Appendix to the Circular that they jointly and severally accept full responsibility for the accuracy of the information contained and

representations made in the Circular. We have also assumed that the information and the Directors' representations contained or referred to in the Circular were true and accurate at the time they were made and continue to be so at the date of the despatch of the Circular. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Company. We have also been advised by the Directors and believe that no material facts have been omitted from the Circular.

We consider that we have reviewed sufficient information to reach an informed view, to justify reliance on the accuracy of the information contained and the Directors' representations made in the Circular and to provide a reasonable basis for our recommendation. We have not, however, conducted an independent verification of the information nor have we conducted any form of in-depth investigation into the businesses and affairs or the prospects of the Company or Taifook Group or any of their respective subsidiaries or associates.

PRINCIPAL FACTORS CONSIDERED

In arriving at our opinion for the Acquisition, we have considered the following principal factors and reasons:

Background and reasons

The Group is principally engaged in investment in infrastructure projects, operation of facilities rentals and investments in service industries including financial related services. The Company through the Purchaser is currently the single largest shareholder of Taifook holding approximately 21.5% in Taifook's issued share capital as at the date of the Share Purchase Agreement. The principal activities of Taifook Group comprise securities and futures contracts broking and trading, the provision of margin and other financing, the provision of corporate advisory, placing and underwriting services, bullion contracts dealing and trading, leveraged foreign exchange trading, the provision of nominee and custodian services, fund management and the provision of financial planning services. The Taifook Shares are listed on the Main Board of the Stock Exchange. Set out below is the audited financial results of the Taifook Group for the two years ended 31 December 2005 and 2006:

	2005	2006
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	390,781	726,913
Profit before tax	68,998	197,941
Profit attributable to shareholders of Taifook	62,958	172,325

Source: Taifook's 2006 annual report.

The Taifook Group recorded an increase in revenue of approximately 86.0% and an increase in profit attributable to shareholders of approximately 173.7% for the year ended 31 December 2006 as compared to 2005. The increase was mainly attributable to the record trading volume of the Stock Exchange (average daily trading volume increased from approximately HK\$18.3 billion (2005) to approximately HK\$33.9 billion (2006)) whereby Taifook was able to benefit therefrom and achieved an increase in its core business revenues including revenue from brokerage

activities, provisions of margin financing and corporate advisory services. The audited consolidated net asset value (“NAV”) of the Taifook Group amounted to approximately HK\$1,183.7 million (before adjustment for the proposed final dividend of HK\$41.6 million) as at 31 December 2006.

As noted from the interim report of the Company for the six months ended 31 December 2006, the Company intends to continue investing in infrastructure projects and services industries with good prospects and returns. We note that Taifook is an established brokerage firm in Hong Kong with over 30 years of history providing a full range of integrated financial services. In addition to Taifook’s financial performance in recent years, we also noted from Taifook’s 2006 annual report that it will continue to leverage on its brand name and niche to expand its core business in Hong Kong and China markets, as evidenced by its acquisitions of a local fund management company in Hong Kong announced in January 2007 and an investment into a futures company in the PRC announced in February 2007.

Upon Completion, the Purchaser will own in aggregate 376,615,103 Taifook Shares, representing approximately 62.2% of the issued share capital of Taifook as at the Latest Practicable Date, and will be required under Rule 26.1 and Rule 13 of the Takeovers Code to make mandatory unconditional cash offers to acquire all the issued Taifook Shares and to cancel all outstanding Taifook Options not already owned or agreed to be acquired by the Purchaser and parties acting in concert with it. As noted from the Announcement, the financial adviser to the Company, is satisfied that there are sufficient financial resources available to the Purchaser to meet its obligation to pay the Aggregate Purchase Price and to implement the Offer in case of full acceptance of the Offer.

Having considered the above, and with the improving local economy, the growth of the PRC economy as noted in the continued growth in the gross domestic product of the PRC in recent years and the gradual open-up of the capital market in the PRC, which are favourable market conditions for the business of Taifook Group, we concur with the views of the Directors and consider that the Acquisition, which is in line with the Group’s stated business direction, will enable the Company to increase its existing stake in Taifook to a controlling position, and is in the interests of the Company and the Shareholders as a whole.

The Aggregate Purchase Price

Basis

The Aggregate Purchase Price, which will be payable in cash, was determined following arm’s length negotiation between the Purchaser and the Vendors with reference to the prevailing market price of Taifook Shares as at the Last Trading Day. The Aggregate Purchase Price represents:

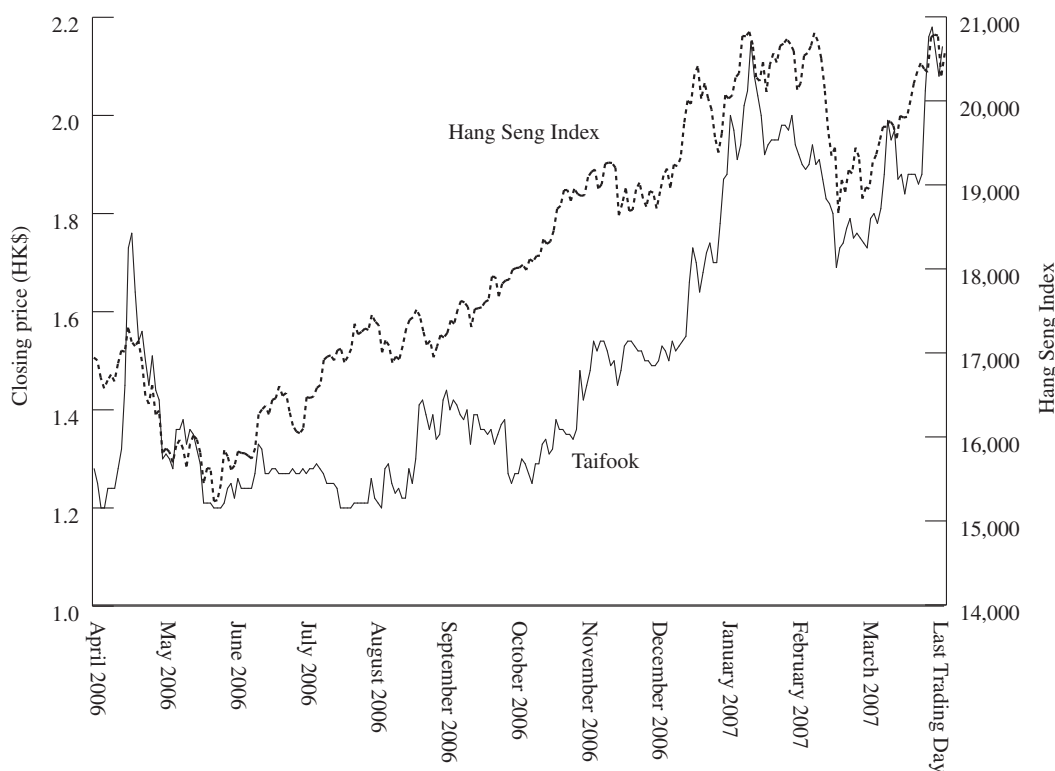
- (i) a premium of approximately 13.6% over the closing price of HK\$2.14 per Taifook Share as quoted on the Main Board of the Stock Exchange on the Last Trading Day;

- (ii) a historic price-earning ratio (“**PER**”) of approximately 8.51 times of the audited profit attributable to shareholders of Taifook for the year ended 31 December 2006 of approximately HK\$172.3 million on the basis of 603,139,699 Taifook Shares in issue as at the date of the Share Purchase Agreement; and
- (iii) a price to net asset value (“**PNAV**”) of approximately 1.24 times of the audited consolidated NAV of Taifook Group as at 31 December 2006 of approximately HK\$1,183.7 million (before adjustment for the proposed final dividend of HK\$41.6 million) on the basis of 603,139,699 Taifook Shares in issue as at the date of the Share Purchase Agreement.

Share price performance

We have reviewed the closing price of the Taifook Shares as quoted on the Main Board of the Stock Exchange during the last twelve months preceding the Last Trading Day (the “**Review Period**”) and comparing it with the performance of the Hang Sang Index during the same period as follows:

Performance of Taifook and Hang Seng Index



As shown in the above chart, during the Review Period, the highest and lowest closing prices of the Taifook Shares were HK\$2.18 per Share recorded on 17 April 2007, and HK\$1.20 per Taifook Share recorded on 24 April 2006, respectively. The Purchase Price represents a premium of (i) approximately 11.47% to such highest closing price of HK\$2.18 per Taifook Share; and (ii) approximately 102.50% to such lowest closing price of HK\$1.20 per Taifook Share during the Review Period. During the Review Period, the Taifook Shares generally traded in line with the

LETTER FROM CIMB-GK

Hang Seng Index with the closing price ranged from HK\$1.20 to HK\$1.44 per Taifook Share from June 2006 to October 2006. Taifook Shares began to undergo an upward surge in November 2006, when the Hang Seng Index also experienced such an increase. The Taifook Shares outperformed the Hang Seng Index in January 2007 to reach the highest closing price of HK\$2.18 in April 2007. As noted from the overall market performance and public information, we believe that the increase in Taifook's share price since late 2006 may have been attributable to the market expectation of Taifook's performance in light of the record trading volume of the Stock Exchange as well as Taifook's proposed acquisition of a local fund management company announced in January 2007.

PER and PNAV

In assessing the fairness of the Aggregate Purchase Price, we have further reviewed, to our best efforts, the PER and PNAV of 15 comparable companies listed on the Main Board of the Stock Exchange whose principal business is engaged in similar business as those of the Taifook Group (the "**Comparable Companies**"). Given the record trading volume of the Stock Exchange in 2006, particularly in the second half of 2006, in order to ensure a fair comparison whereby the Comparable Companies' results, hence their respective share prices would have reflected their business performance in 2006 so as those of the Taifook Group, for the purposes of PER analysis, we have excluded those Comparable Companies whose latest audited annual results only reported up to 30 June 2006 or earlier or made loss in the latest financial period to arrive at eight Comparable Companies (the "**PER Comparable Companies**"). Details of the comparison of the PER Comparable Companies for the purposes of PER analysis and the Acquisition are as follows:

Name of PER Comparable Companies	Date of financial year end	PER (note 1) (times)
CASH Financial Services Group Limited	31 December 2006	12.28
Celestial Asia Securities Holdings Limited	31 December 2006	8.80
E2-Capital (Holdings) Limited	31 December 2006	7.42
First Shanghai Investments Limited	31 December 2006	5.36
Hantec Investment Holdings Limited	31 December 2006	5.39
Shenyin Wanguo (H.K.) Limited	31 December 2006	11.28
South China Financial Holdings Limited	31 December 2006	26.90
Sun Hung Kai & Co. Limited	31 December 2006	22.10
<i>Average:</i>		<i>12.44</i>
<i>Adjusted average (note 2):</i>		<i>8.42</i>
The Acquisition		8.51

Source: Bloomberg, www.hkex.com.hk (the "**Stock Exchange's Website**"), the latest annual report and annual results announcement of the PER Comparable Companies

Notes:

- Based on the closing share prices per share of the PER Comparable Companies as quoted on Bloomberg on the Last Trading Day divided by the respective earnings per share (being the net profit attributable to the shareholders per the latest published annual financial results of the PER Comparable Companies available on 26 April 2007, being the date of the Share Purchase Agreement, divided by the number of shares reported on the Stock Exchange's Website on 31 March 2007).

LETTER FROM CIMB-GK

2. Excluded the PER of South China Financial Holdings Limited and Sun Hung Kai & Co. Limited, which are outliers.

The PER of the PER Comparable Companies ranged from 5.36 times to 26.90 times, with an average of approximately 12.44 times. The implied PER under the Aggregate Purchase Price is within such range and is lower than the average PER of the PER Comparable Companies.

The adjusted PER of the PER Comparables Companies ranged from 5.36 times to 12.28 times, with an average of approximately 8.42 times. The implied PER under the Aggregate Purchase Price is within such range and is comparable with the adjusted average PER of the PER Comparable Companies.

The comparison of the PNAV of Taifook Shares as implied under the Aggregate Purchase Price and those of the Comparable Companies (including all the 15 Comparable Companies based on their latest published audited or unaudited NAV) are summarised below:

Name of Comparable Companies	Date of latest published NAV	PNAV (note 1) (times)
CASH Financial Services Group Limited	31 December 2006	1.01
Celestial Asia Securities Holdings Limited	31 December 2006	0.50
E2-Capital (Holdings) Limited	31 December 2006	0.70
Emperor Capital Group Limited	31 December 2006	0.54
		<i>(note 2)</i>
First Shanghai Investments Limited	31 December 2006	0.75
Get Nice Holdings Limited	30 September 2006	1.04
Hantec Investment Holdings Limited	31 December 2006	0.79
Quam Limited	30 September 2006	1.99
Shenyin Wanguo (H.K.) Limited	31 December 2006	1.84
South China Financial Holdings Limited	31 December 2006	1.85
Sun Hung Kai & Co. Limited	31 December 2006	1.17
SW Kingsway Capital Holdings Limited	31 December 2006	1.08
Tanrich Financial Holdings Limited	31 December 2006	0.66
Upbest Group Limited	30 September 2006	5.28
VXL Capital Limited	31 December 2006	3.06
<i>Average:</i>		<i>1.48</i>
<i>Adjusted average (note 3):</i>		<i>1.21</i>
The Acquisition		1.24

Source: Bloomberg, the Stock Exchange's Website, the latest annual report, interim report and annual results announcement of the Comparable Companies

LETTER FROM CIMB-GK

Notes:

1. Based on the closing share prices per share of the Comparable Companies as quoted on Bloomberg on the Last Trading Day divided by the NAV per share (being the NAV per the latest published audited or unaudited financial statements of the Comparable Companies available on 26 April 2007, being the date of the Share Purchase Agreement, divided by the number of shares reported on the Stock Exchange's Website on 31 March 2007).
2. Based on the initial public offer price of HK\$0.38 per share as listing of shares were after the Last Trading Day.
3. Excluded the PNAV of Upbest Group Limited, which is an outlier.

The PNAV of the Comparable Companies ranged from approximately 0.50 times to 5.28 times, with an average of approximately 1.48 times. The implied PNAV under the Aggregate Purchase Price is within the range and is lower than the average PNAV of the Comparable Companies.

The adjusted PNAV of the Comparable Companies ranged from approximately 0.50 times to 3.06 times, with an average of approximately 1.21 times. The implied PNAV under the Aggregate Purchase Price is within the range and is comparable with the adjusted average PNAV of the Comparable Companies.

Views

Having taken into account the above, we consider that the Aggregate Purchase Price is fair and reasonable so far as the Company and the Independent Shareholders are concerned.

Possible financial impact

Earnings

Upon Completion, Taifook will become a non-wholly-owned subsidiary of the Company and its results of operations will be consolidated into the financial statements of the Group. Based on the performance of the Taifook Group in recent years, the Acquisition is expected to have a positive impact on the earnings base of the Group.

NAV

Based on the Aggregate Purchase Price and the Group's 62.2% attributable interest in the audited consolidated NAV of the Taifook Group as at 31 December 2006 of approximately HK\$1,183.7 million (before adjustment for the proposed final dividend of HK\$41.6 million) immediately upon Completion, the Acquisition would not have a material adverse impact on the Group's net asset base.

Working capital

The Group will satisfy the Aggregate Purchase Price by bank borrowings. We note that the financial adviser to the Company is satisfied that there are sufficient financial resources available to the Purchaser to meet its obligation to pay the Aggregate Purchase Price and to implement the Offer in case of full acceptance of the Offer. Based on existing financial position of the Group, the Directors consider that the Acquisition, and hence the Offer assuming acceptance in full, will not have a material adverse impact on the working capital position of the Group.

RECOMMENDATION

Having taken into consideration the principal factors and reasons referred to above, we are of the opinion that the Share Purchase Agreement is entered into on normal and commercial terms and is in the interests of the Company and the Shareholders as a whole and that the terms thereof are fair and reasonable so far as the Company and the Independent Shareholders are concerned. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote for the ordinary resolution to be proposed at the SGM to approve the Share Purchase Agreement.

Yours faithfully,

For and on behalf of

CIMB-GK Securities (HK) Limited

Alex Lau

Flavia Hung

Executive Vice President

Senior Vice President

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. DIRECTORS' INTERESTS

- (a) As at the Latest Practicable Date, the interests and short positions of each Director and the chief executive of the Company in the shares or underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which he was deemed or taken to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

(I) Long position in shares

	Number of shares/amount of registered capital				Approximate percentage of issued share capital/registered capital
	Personal interests	Family interests	Corporate interests	Total	
the Company					
(ordinary shares of HK\$1.00 each)					
Dr. Cheng Kar Shun,	9,179,199	587,000	8,000,000	17,766,199	0.89%
Henry		(Note 1)	(Note 2)		
Mr. Doo	2,006,566	—	9,130,000	11,136,566	0.56%
			(Note 3)		
Mr. Chan Kam Ling	828,991	—	10,254,321	11,083,312	0.56%
			(Note 4)		
Mr. Wong Kwok Kin,	3,021,981	—	—	3,021,981	0.15%
Andrew					
Mr. Lam Wai Hon,	967,714	—	4,950	972,664	0.05%
Patrick			(Note 5)		
Mr. Cheung Chin	973,692	—	—	973,692	0.05%
Cheung					
Mr. Doo Jr	—	—	165,566	165,566	0.01%
			(Note 6)		
Mr. Kwong Che Keung,	608,757	—	—	608,757	0.03%
Gordon					
Mr. Cheng Wai Chee,	703,288	—	—	703,288	0.04%
Christopher					
Mr. Wilfried Ernst	250,000	—	—	250,000	0.01%
Kaffenberger					

	Number of shares/amount of registered capital				Approximate percentage of issued share capital/registered capital
	Personal interests	Family interests	Corporate interests	Total	
NWD					
(ordinary shares of HK\$1.00 each)					
Dr. Cheng Kar Shun, Henry	—	300,000 <i>(Note 1)</i>	—	300,000	0.01%
Mr. Chan Kam Ling	141,844	—	—	141,844	negligible
Mr. Wong Kwok Kin, Andrew	300,000	—	—	300,000	0.01%
Mr. Cheung Chin Cheung	62,200	—	—	62,200	negligible
Mr. Kwong Che Keung, Gordon	30,000	—	—	30,000	negligible
New World China Land Limited					
(ordinary shares of HK\$0.10 each)					
Dr. Cheng Kar Shun, Henry	12,500,000	—	52,271,200 <i>(Note 2)</i>	64,771,200	1.69%
Mr. Doo	8,750,000	—	65,050,000 <i>(Note 3)</i>	73,800,000	1.93%
Mr. Chan Kam Ling	1,250,000	—	—	1,250,000	0.03%
Mr. Wong Kwok Kin, Andrew	500,000	—	—	500,000	0.01%
Mr. Lam Wai Hon, Patrick	100,000	—	—	100,000	negligible
Fung Seng Estate Development (Shanghai) Co., Ltd.					
(registered capital in US\$)					
Mr. Doo	—	—	US\$3,000,000 <i>(Note 7)</i>	US\$3,000,000	30.00%
HH Holdings Corporation					
(ordinary shares of HK\$1.00 each)					
Mr. Chan Kam Ling	15,000	—	—	15,000	2.50%
Master Services Limited					
(ordinary shares of US\$0.01 each)					
Mr. Chan Kam Ling	16,335	—	—	16,335	1.63%
Mr. Wong Kwok Kin, Andrew	44,915	—	—	44,915	4.49%
Mega Choice Holdings Limited					
(ordinary shares of HK\$1.00 each)					
Dr. Cheng Kar Shun, Henry	—	—	3,710 <i>(Note 2)</i>	3,710	34.61%

	Number of shares/amount of registered capital				Approximate percentage of issued share capital/registered capital
	Personal interests	Family interests	Corporate interests	Total	
Ramada Property Ltd.					
(ordinary shares of US\$1.00 each)					
Mr. Doo	—	—	250 <i>(Note 3)</i>	250	25.00%
Shanghai Juyi Real Estate Development Co., Ltd.					
(registered capital in RMB)					
Mr. Doo	—	—	RMB229,500,000 <i>(Note 7)</i>	RMB229,500,000	30.00%
Taifook					
(ordinary shares of HK\$0.10 each)					
Mr. Doo	—	—	4,346,000 <i>(Note 3)</i>	4,346,000	0.72%
Mr. Doo Jr	24,406,085	—	—	24,406,085	4.03%
Wai Kee Holdings Limited					
(ordinary shares of HK\$0.10 each)					
Mr. Lam Wai Hon, Patrick	300,000	—	—	300,000	0.04%
New World Hotel Management (BVI) Limited					
(ordinary shares of US\$1.00 each)					
Mr. Doo Jr	—	—	55 <i>(Note 6)</i>	55	5.50%

Notes:

1. The shares are held by the spouse of Dr. Cheng Kar Shun, Henry.
2. The shares are held by companies wholly-owned by Dr. Cheng Kar Shun, Henry.
3. The shares are held by a company wholly-owned by Mr. Doo.
4. The shares are held by a company of which Mr. Chan Kam Ling holds 50% equity interests.
5. The shares are held by a company wholly-owned by Mr. Lam Wai Hon, Patrick.
6. The shares are held by a company wholly-owned by Mr. Doo Jr.
7. The interests represent the participating interests held by a company wholly-owned by Mr. Doo.

(II) Long position in underlying shares — share options**(i) the Company**

Name	Date of grant	Exercisable period	Number of share options	Exercise price per share HK\$
Mr. Wilfried Ernst Kaffenberger	21 July 2003	(Note 1)	307,248	3.711

Notes:

- Divided into 2 tranches exercisable from 21 July 2004 and 21 July 2005 respectively to 20 July 2008, both dates inclusive.
- The cash consideration paid by the above director for the grant of the share options was HK\$10.

(ii) NWD

Name	Date of grant	Exercisable period	Number of share options	Exercise price per share HK\$
Dr. Cheng Kar Shun, Henry	19 March 2007	19 March 2007 to 18 March 2012	36,500,000	17.756

Note: The cash consideration paid by the above director for the grant of the share options was HK\$10.

- (b) Save as disclosed in this circular, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had any interest and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions in which they were deemed or taken to have under such provisions of the SFO), or which are required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange.
- (c) As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any asset which have since 30 June 2006, being the date to which the latest published audited financial statements of the Company were made up, been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group.
- (d) Save for the Share Purchase Agreement, as at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group since 30 June 2006, being the date to which the latest published audited financial statements of the Company were made up, and which was significant in relation to the business of the Group.

3. SUBSTANTIAL SHAREHOLDERS' INTERESTS

- (a) As at the Latest Practicable Date, so far as is known to the Directors, the following persons, other than a Director or the chief executive of the Company, had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company:

	<u>Number of shares/amount of registered capital</u>			Approximate percentage of issued share capital/registered capital
	Beneficial interests	Interests of controlled corporation	Total	
Cheng Yu Tung Family (Holdings) Limited (“CYTFH”) (Note 1)	—	1,176,736,805	1,176,736,805	58.83%
Centennial Success Limited (“CSL”) (Note 2)	—	1,176,736,805	1,176,736,805	58.83%
CTF Enterprises (Note 3)	59,831,893	1,116,904,912	1,176,736,805	58.83%
NWD (Note 4)	734,055,571	382,794,341	1,116,849,912	55.84%
Mombasa Limited	355,201,827	—	355,201,827	16.76%

Notes:

1. CYTFH holds 51% direct interest in CSL and is accordingly deemed to have an interest in the shares deemed to be interested by CSL. Dr. Cheng Kar Shun, Henry is also a director of CYTFH
2. CSL holds 100% direct interest in CTF Enterprises and is accordingly deemed to have an interest in the shares interested by or deemed to be interested by CTF Enterprises. Dr. Cheng Kar Shun, Henry is also a director of CSL.
3. CTF Enterprises, together with its subsidiaries, holds more than one-third of the issued shares of NWD and is accordingly deemed to have an interest in the shares interested by or deemed to be interested by NWD. Dr. Cheng Kar Shun, Henry is also a director of CTF Enterprises.
4. NWD holds 100% indirect interest in Mombasa Limited and is accordingly deemed to have an interest in the shares held by Mombasa Limited in the Company. NWD is also deemed to be interested in the interests of various controlled corporations in the Company, one of which is Financial Concepts Investment Limited, a wholly-owned subsidiary of the Company, which holds 1,986,513 Shares. Dr. Cheng Kar Shun, Henry is also a director of each of NWD and Mombasa Limited.
5. All the interests stated above represent long positions.

- (b) As at the Latest Practicable Date, so far as is known to the Directors and save as disclosed in this circular, the following entities, other than a Director or the chief executive of the Company or a member of the Group, were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of other members of the Group:

Name of entity	Name of member of the Group	Approximate percentage of interest held
Architectural Precast Limited (In court compulsory liquidation)	Architectural Precast GRC Limited	35.00%
Asian East Worldwide Limited	Guangzhou Northring Freeway Company Limited	24.30%
Bioforte (Hong Kong) Environmental Engineering And Technology Company Limited	BioEnviroLink Technologies Limited	30.00%
Changzhi City Changda Highway Development Company	Shanxi Xinda Highways Limited	40.00%
Changzhi City Changda Highway Development Company	Shanxi Xinhuang Highways Limited	40.00%
Cinagro Pte Limited	Cinabel (Singapore) Pte Limited	20.00%
Foshan City Gaoming District Transportation Infrastructure Co. Ltd.	Foshan Gaoming Xinming Bridge Company Limited	49.00%
Guangxi Beiliu Gaote Co. Ltd.	Guangxi Beiliu Xinbei Highways Limited	40.00%
Guangxi Cangwu County Electric Power Co. Ltd.	Guangxi Cangwu Xincang Highways Limited	30.00%
Guangxi Rongxian Road & Bridge Construction Co. Ltd.	Guangxi Rongxian Xinrong Highways Limited	30.00%
Guangxi Wuzhou Heng Tong Development Ltd.	Wuzhou Xinwu Highways Limited	40.00%
Guangxi Yulin City Heng Tong Ltd.	Guangxi Yulin Xinye Highways Limited	40.00%
Guangxi Yulin Yu Shieh Ltd.	Guangxi Yulin Xinyu Highways Limited	40.00%
Guangzhou Yongtong Freeway Company Ltd.	Guangzhou Northring Freeway Company Limited	10.41%
Gujiao Highway-Bridge Development & Construction Company	Taiyuan Xinyuan Highways Limited	40.00%
Intex Shanghai Company Limited	Hong Kong-Shanghai Venue Management (Zhengzhou) Limited	30.00%
Leader Civil Engineering Corporation Limited	Hip Hing-Leader JV Limited	33.33%

Name of entity	Name of member of the Group	Approximate percentage of interest held
Nanjing Port Authority	Nanjing Huining Wharfs Co., Ltd.	45.00%
Shine Vision International Limited	Carpark Solution Enterprise Limited	35.00%
Taiyuan Tongtai Industry & Commerce General Company	Taiyuan Xintai Highways Limited	40.00%
Tianjin Expressway Investment & Construction Development Corporation	Tianjin Xindi Expressway Company Limited	33.38%
Tianjin Expressway Investment & Construction Development Corporation	Tianjin Xinlong Expressway Company Limited	33.38%
Tianjin Expressway Investment & Construction Development Corporation	Tianjin Xinlu Expressway Company Limited	33.38%
Tianjin Expressway Investment & Construction Development Corporation	Tianjin Xinming Expressway Company Limited	33.38%
Tianjin Expressway Investment & Construction Development Corporation	Tianjin Xinqing Expressway Company Limited	33.38%
Tianjin Expressway Investment & Construction Development Corporation	Tianjin Xinquan Expressway Company Limited	33.38%
Tianjin Expressway Investment & Construction Development Corporation	Tianjin Xinsen Expressway Company Limited	33.38%
Tianjin Expressway Investment & Construction Development Corporation	Tianjin Xinshi Expressway Company Limited	33.38%
Tianjin Expressway Investment & Construction Development Corporation	Tianjin Xinsi Expressway Company Limited	33.38%
Tianjin Expressway Investment & Construction Development Corporation	Tianjin Xintong Expressway Company Limited	33.38%
Tianjin Expressway Investment & Construction Development Corporation	Tianjin Xintuo Expressway Company Limited	33.38%
Tianjin Expressway Investment & Construction Development Corporation	Tianjin Xinxiang Expressway Company Limited	33.38%

Name of entity	Name of member of the Group	Approximate percentage of interest held
Tianjin Expressway Investment & Construction Development Corporation	Tianjin Xinyan Expressway Company Limited	33.38%
Tianjin Expressway Investment & Construction Development Corporation	Tianjin Xinzhan Expressway Company Limited	33.38%
Wiseful Engineering Group Limited	Kentfull Engineering Company Limited	40.00%
Wuhan Airport Road Industrial Development Co. Ltd.	Wuhan Airport Road Development Limited	33.33%
Xiamen COSCO International Container Freight Station & Transportation Co., Ltd.	Xiamen Xinyuan Container Terminal Co., Ltd.	30.00%
北京市萬勝全物業管理中心	Beijing Kiu Lok Property Management Services Co., Ltd.	40.00%
武漢武建鼎安安裝工程有限公司	Trihan Engineering (Wuhan) Company Limited	49.00%
珠海市萬泉河科技發展有限公司	深圳香島國花卉有限公司	20.00%
珠海國際經濟技術合作公司	珠海市景福工程有限公司 (In members' voluntary liquidation)	20.00%
深圳市高成達機械電子有限公司	襄樊高成達停車場管理有限公司	35.00%
順德市誠業建築集團公司	佛山市順德區協興建築工程有限公司	15.00%
廣州市機電安裝公司	Triguang Engineering (Guang Zhou) Company Limited	49.00%
溫州港務集團有限公司	Wenzhou Zhuangyuan Ao New World International Terminals Company Limited	45.00%

- (c) Save as disclosed above, so far as is known to the Directors, there was no other person who as at the Latest Practicable Date had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, had a direct or indirect interests amounting to 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any members of the Group.

4. DIRECTORS' SERVICE CONTRACTS

None of the Directors has a service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation other than statutory compensation.

5. MATERIAL ADVERSE CHANGES

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 30 June 2006, being the date to which the latest published audited financial statements of the Company were made up.

6. COMPETING INTEREST

As at the Latest Practicable Date, the following Directors were considered to have interests in businesses which compete or were likely to compete, either directly or indirectly, with the businesses of the Group pursuant to the Listing Rules as set out below:

Name	Name of entity whose business is considered to compete or likely to compete with the businesses of the Group	Description of business of the entity which is considered to compete or likely to compete with the businesses of the Group	Nature of interest of the Director in the entity
Dr. Cheng Kar Shun, Henry	Chow Tai Fook Enterprises group of companies	Investment in transport services business	Director
	HKR International Limited group of companies	Construction and property management	Director
	Shun Tak Holdings Limited group of companies	Investment in ferry services business	Director
	Tamman Developments Limited	Investment in airport operation business	Director
Mr. Chan Kam Ling	Qingyuan Qiaoyuan Power Plant Company Limited	Operation of power plant	Director
Mr. Lam Wai Hon, Patrick	Wai Kee Holdings Limited group of companies	Contracting	Director

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and their respective associates was interested in any business apart from the businesses of the Group, which competes or is likely to compete, either directly or indirectly, with that of the Group.

7. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and there was no litigation or claim of material importance known to the Directors to be pending or threatened by or against either the Company or any of its subsidiaries.

8. QUALIFICATION AND CONSENT OF EXPERT

CIMB-GK is a corporation licensed to carry on type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO.

CIMB-GK has given and has not withdrawn its written consent to the issue of this circular with the reference to its name and its letter in the form and context in which they respectively appear.

As at the Latest Practicable Date, CIMB-GK did not have any shareholding, directly or indirectly, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for shares in any member of the Group.

As at the Latest Practicable Date, CIMB-GK did not have any interest, direct or indirect, in any assets which since 30 June 2006, the date to which the latest published audited financial statements of the Company were made up, have been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

9. MISCELLANEOUS

- (a) The Qualified Accountant of the Company is Mr. Lam Wai Hon, Patrick, who is a fellow of the Institute of Chartered Accountants of England and Wales and the Hong Kong Institute of Certified Public Accountants.
- (b) The Company Secretary of the Company is Mr. Chow Tak Wing, who is a fellow of the Association of Chartered Certified Accountants (UK) and an associate of Hong Kong Institute of Certified Public Accountants.
- (c) The principal share registrars and transfer office of the Company in Bermuda is Butterfield Fund Services (Bermuda) Limited at Rosebank Centre, 11 Bermudiana Road, Pembroke, Bermuda, and the branch share registrars and transfer office of the Company in Hong Kong is Standard Registrars Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong.

10. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the Share Purchase Agreement will be available for inspection at the offices of the Company in Hong Kong at 28th Floor, New World Tower, 18 Queen's Road Central, Hong Kong during normal business hours from the date of this circular up to and including 5 June 2007 and at the SGM.



新創建集團有限公司*
NWS Holdings Limited

(incorporated in Bermuda with limited liability)

(stock code: 0659)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting of NWS Holdings Limited (the “**Company**”) will be held at Meeting Room 301A (New Wing), Hong Kong Convention & Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Tuesday, 5 June 2007 at 11:45 a.m. for the purpose of considering and, if thought fit, with or without amendments, passing the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

“THAT

- (a) the acquisition by NWS Financial Management Services Limited, an indirect wholly-owned subsidiary of the Company, of 246,986,763 shares in Taifook Securities Group Limited pursuant to the terms and conditions of the Share Purchase Agreement (as defined in the circular of the Company dated 18 May 2007 despatched to the shareholders of the Company) a copy of which has been produced to the meeting and marked “A” and initialed by the chairman of the meeting for the purpose of identification, together with other transactions contemplated under the Share Purchase Agreement be and are hereby approved;
- (b) the directors of the Company (the “**Directors**”) be and are hereby authorised, for and on behalf of the Company, to take all steps necessary or expedient in their opinion to implement and/or give effect to the terms of the Share Purchase Agreement and all transactions contemplated thereunder and all other matters incidental thereto or in connection therewith; and
- (c) the Directors be and are hereby authorised, for and on behalf of the Company, to execute all such other documents, instruments and agreements and to do all such acts or things deemed by them to be incidental to, ancillary to or in connection with the matters contemplated under the Share Purchase Agreement and to make such variation, amendment and waiver of any matters relating thereto or in connection therewith which in the opinion of the Directors is not of a material nature and is in the interests of the Company.”

Yours faithfully,
By order of the Board
Dr. Cheng Kar Shun, Henry
Chairman

Hong Kong, 18 May 2007

* For identification purposes only

NOTICE OF SGM

Registered office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

**Principal place of business
in Hong Kong:**

28th Floor, New World Tower
18 Queen's Road Central
Hong Kong

Notes:

1. Any member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more than one proxy to attend and, on a poll vote in his stead. A proxy need not be a member of the Company.
2. To be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy thereof, must be deposited at the Company's branch share registrars in Hong Kong, Standard Registrars Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 48 hours before the time appointed for the meeting or any adjournment thereof (as the case may be).
3. Delivery of an instrument appointing a proxy should not preclude member from attending and voting in person at the above meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. In the case of joint holders of a share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she/it were solely entitled thereto to. If more than one of such joint holders are present at the above meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
5. Voting on the above resolution will be taken by poll.
6. As at the date of this notice: (a) the executive directors of the Company are Dr. Cheng Kar Shun, Henry, Mr. Doo Wai Hoi, William, Mr. Chan Kam Ling, Mr. Tsang Yam Pui, Mr. Wong Kwok Kin, Andrew, Mr. Lam Wai Hon, Patrick, Mr. Cheung Chin Cheung and Mr. William Junior Guilherme Doo; (b) the non-executive directors of the Company are Mr. Wilfried Ernst Kaffenberger (alternate director to Mr. Wilfried Ernst Kaffenberger: Mr. Yeung Kun Wah, David), Mr. To Hin Tsun, Gerald and Mr. Dominic Lai; and (c) the independent non-executive directors of the Company are Mr. Kwong Che Keung, Gordon, Mr. Cheng Wai Chee, Christopher and The Honourable Shek Lai Him, Abraham.